App. F. IX-4 P 20E

Previous References

1934
(Ry 7)

File No. 411 - 34
Serial Nos. 1 - 6

PRESERVED

Later References.

G.239-34
G.75-35
Ry 7. 5-35 (1-4)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Six

Part B for May 35

SUBJECT.

Payment of Royalty on Diviends declared by the Kolar Gold Mining Companies

WD 01965—GPB—15,000—7-7-34

General & Revenue Secretariat. G.2 File No. 411 of 1934

Serial No.

1400

Kolar Gold Mines.

Supplementary Royalty on Dividends.

It is usual for the Mining Companies to pay the shareholders some interim dividend during October of each year, and declare final dividend in March or April of the next year. Simultaneously with the declaration of Interim or final dividends, the Mining Companies were paying the Mysore Government, Supplementary Royalty of 2½% on the total amount of dividend paid.

2. Even under the New lease, Mr. Ralph Nye has agreed to arrange for the payment of the Supplementary Royalty in instalments as and when dividends are paid to the Shareholders. Mr. Ralph Nye may perhaps be requested to ~~intimate when~~ arrange for the Supplementary Royalty on Interim dividends, ~~if any~~, being paid for the current year, as usual ~~is likely to be paid~~ to the Mysore Government. ~~and~~

First Member

25. 9. 34

25.9.34.

OFFICE OF THE H. [illegible] COUNCIL 25 SEPT. 1934 No. 2436

3. Mr. Nye said that he would take up the matter when he goes back to London

26/9/34

27.9.34

No. 153/84 25/9/34

470 Comptr for Mr Nye

No. 2495 Returned with compliments.

Noted and returned with compliments.

Comptroller.

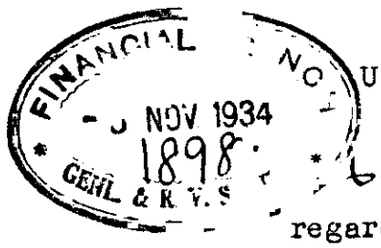
29.9.34

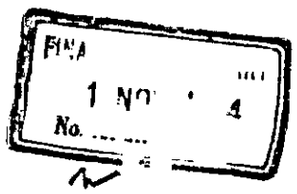
Secretary to Govt

NOTE—Contn. Sheet.

WD 2165—GPB—500—27-5-32

G.7. 411-34-1





U.O. No.641/Books dated 31-10-34.

In continuation of my U.O.No.495/Books dated 29-9-34, regarding payment of Royalty on Dividends by the Mining Companies, I beg to report for the information of Government that the Nundydroog Mines, Limited, have declared an interim Dividend of 2s-9d per share for the period ending 31st December 1934 and credited £1,945-12-6 to our accounts with Messrs. Coutts & Co., London on 3rd October 1934 as Royalty at only 2½% on the gross amount of dividends paid to the shareholders in accordance with clause 9 of the lease of 22nd March 1910.

Comptroller.

To

The Financial Secretary
to Government
with compliments.

1. Submitted for kind perusal. The Nundydrug Mining Company have declared an interim dividend of 27½% per ~~shar~~ share for the period ending 31st December 1934, as against an interim dividend of 35% declared ~~last~~ for the year 1933 The total dividend declared for the year 1933 is 85% and the Dividend for the year 1934 will probably be less than this percentage, since the value of gold realised during the 1st nine months of the calendar year 1934 is about 4½ lakhs less than the corresponding figures of the year 1933. When and the interim dividend is also less the percentage of dividend is less, the share of purofits payable to us will also be less.

2. From the Comptroller's note, it will be seen that the Company have paid the supplementary Royalty on dividends at 2½%(according to the original lease) while we have to get a larger share on a sliding scale, according to the new lease. Kind reference is invited to the First Member's minute dated 26-9-34. Mr. Ralph Nye may perhaps be addressed.

10-11-34

Fl Secy) 10/11/34. P.T.O.

Serial No.

9 The understanding with Mr Nye was that the Supplemental ~~in~~ royalty payable to us on 'interim' dividends should be according to the new scale and not at the ~~xxx~~ former rate of 2½% - The prescribed percentage under the new scale for a dividend of 27½% is 10% - Mr Nye may be written to in the matter. An inconvenient precedent should not be allowed to be established -

10 A draft letter to Mr Nye is accordingly put up -

Sub: Levy in the Case of Messrs Champion Reef Mines Ltd for 1934. and interim dividend are 7½ and 12½% and rate applicable is 5% - We of course get only 2/3 of the amount during the currency of the present lease. (Sd) M.V.

12.11.34. 15/11.

11 Secy 19/11

19.11.34.

12 19-11-34

13 Issue. 20/11/34.

$\frac{2}{3} = 6\frac{2}{3}$%.

$\frac{2}{3} = 3\frac{1}{3}$

DEPUTY OFFICE 19 NOV. 1934 No. 2662

OFFICE OF THE FIRST MEMBER OF COUNCIL 16 NOV. 1934 No. 3901

TYPING BRANCH 21 NOV. 1934 GENL. & REV. SECTT.

NOTE—Contn. Sheet.

WD 01955—GPB—22,500—12-6-34

3(8)/H 4

File No of 193

4 General and Revenue Secretariat

No. Fl 44-82-3 dated 23-11-34 to Mr. Ralph Nye and Comptroller

Encs Retaining Minutes

23-11-34

Letter dated 20th December 1934 from Mr. Ralph Nye

10 JAN. 1935 No. 39/51

14 Submitted for kind perusal. It is ascertained from the Development Branch that the letter of Messrs John Taylor & Sons dated 7th December 1934 (copy sent with the above letter) is being dealt with by the Asst Secretary, Law department and that a reply accepting the agreement is to issue soon after the First Member returns from leave.

15 A copy of Mr. Ralph Nye's letter may perhaps be sent to the Comptroller.

9-1-35

H. Selby) 9.1.35.

16 Yes - You may inform Denison)

10/1.

10/1/35.

17

11-1-35

15/1/35.

Serial No.

18 Draft letter to the Comptroller submitted for approval

Y
16-1-35

19 K. Seen)

20

21 Mue
17/1

Rs 5800 of 22/1/35

~~Subject Box~~

22 Passed on to the Protection Branch (Law section) for kindly stating whether the agreement received from Messrs John Taylor & Sons has been returned duly accepted.

YW
24-1-35

23 The letter to the Messrs Nicholas in the matter must have issued from the Dev Br.

24 For favour of perusing the up to

Dev Br) 1004 24/1

25 The final draft of the Deed of Variation and the mining lease received from Messrs John Taylor & Sons has been approved by Govt and a copy as approved sent to the Solicitors Messrs Morsby & Thomas of Madras for intimating the fact to their client and

NOTE—Contn. Sheet.

H. & REV. SEC. ARIAT
21 JAN. 35
DEVELOPMENT BRANCH.

WD 01955—GPB—22,500—12-6-34

21.0 J.914
1/X 3536

G.1 File No. 411 of 1934 | General and Revenue Secretariat

London

FP 26 Jnl Br W.C.

29/1/35 mv 27 The connected papers may kindly be sent for reference and return

2 W
1-2-35
Secy Brwe

28 The Connected papers are herewith 35-1-

put up for reference & return

FP Jnl Br W.C.
1/2/35 mv

29 Now that the draft agreement has been returned duly accepted, payment of Supplemental Royalty on the Interim dividend according to the new lease may be expected to be arranged for during the current month.

3106
1C

2
2.2.35

Letter No 1333 Books dated 26-2-35 from the Comptroller

30 The Comptroller reports that the Gold Mining companies have paid Supplementary Royalty on the interim dividend for 1934, according to the sliding scale fixed for the new lease

Submitted for perusal.

Yes tele 1-3-35

MAR. 5

New 514

Please speak to me

2/3/35

(H Seey)

1-3-35.

2

The total amount paid is about 3,900 £.

(Devan)

For the Secy

5/3.

613/35.

9/3/35

2-3-35

3.35

G.2 411-349

U.O.724/Books Dated 14th November 1934.

In continuation of my U.O.Note No.641/Books dated 31st October 1934, I beg to report for the information of Government, that the Mysore and the Champion Reef Gold Mining Companies also have declared dividends at 9d and 1s-3d respectively per share for the year ending 31st December 1934, and credited during October 1934 £1,143-15-0 and £812-10-0 to our account with Messrs. Coutts & Co., London, as Royalty at 2½% on the Gross amount of dividends paid to the shareholders according to the old agreement.

Comptroller.

To

The Financial Secretary
to Government,
with compliments.

14/11/34.

G.7 411-34-3

Fc 44480 9 23 11 34

To

Ralph Nye, Esq.,

Messrs. John Taylor & Sons ~~Committee,~~

6 queen street Place London. E.C.4

Sir,

**

The Comptroller reports that the marginally noted companies have paid to Messrs. Coutts & Co., Supplementary Royalty on the total amount of Interim dividend declared for the year 1934, calculated at 2½% in accordance with para 9 of the existing lease.

According to the understanding arrived at in the course of discussion with you, it was agreed that in such cases the share on the dividend paid, ~~prescribed~~ new should also be in accordance with the sliding scale and not the fixed 2½%.

I am directed to invite your attention to this fact and to request you to be so good as to kindly arrange with the Companies concerned for the payment of the balance of the Supplementary Royalty due on the Interim Dividend.

I have etc.,

15/11

Financial Secy. to Govt.

for

2
15-11-34

	Interim Dividend declared for 1934.	Total amount of Dividend.	2½% Royalty paid to the Mysore Govt.	Date of payment to Messrs. Coutts & Co.
Nandydrug Mine	2s.9d. per share of 10s,	£77,825	£1,945-12-6	3-10-34
Champion Reef Mine.	1s.3d. per share of 10s.	£32,500	£812-10-0	13-10-34
Mysore Mine	9d. per share of 10s.	£45,750	£1,143-15-0	20-10-34

Fc 44483 & copy to the Comptroller

9 23/11/34

2
20-11-34

M Shamanna
for Fin'l Secretary

JOHN TAYLOR & SONS.
TELEGRAPHIC ADDRESSES,
INLAND TELEGRAMS:-
"ROLYAT, CANNON, LONDON."
CABLEGRAMS:
"ROLYAT LONDON."
TELEPHONE, CENTRAL 2426.
(4 LINES)
KENNETH BARING TAYLOR.
SYDNEY ENFIELD TAYLOR.

FINANCIAL SECRETARY
7 JAN
No.....

6, Queen Street Place,
London, E.C.4.
20th December 1934.

From
Ralph Nye Esq.,
6, Queen Street Place,
London, E. C. 4.

To
S. Shamanna Esq., B.A.,
Financial Secretary to
The Government of H.H. The Maharaja of Mysore,
Bangalore.

Sir,

I have the honour to acknowledge the receipt of your letter No.Fc/4480 G.F. dated 21st/23rd November last on the question of Supplementary Royalty and Interim Dividends, and to inform you that in accordance with my recent understanding with Government I duly carried out my undertaking to represent Government's suggestion in this regard to the Directors of the Mining Companies, whose response is contained in Messrs. John Taylor & Sons' letter to Government of the 7th instant, and of which I have the honour to attach a copy.

I have the honour to be,
Sir,
Your obedient Servant,

DUPLICATE.

By Air mail.

7th December 1934.

From
Messrs. John Taylor & Sons,
6, Queen Street Place,
London, E. C. 4.

To
H. Venkatanarasappa Esq., B.A.,
Secretary to Government,
Development Department,
Bangalore.

Sir,

INDIAN GOLD MINES LEASES.

We have the honour to inform you that the attention of the Directors of the four Kolar Companies has been directed to the suggestion of Government that an early payment may be made against the Rent Royalty which will become payable upon execution of the Deeds of Variation and New Leases.

The position in this payments of Cess upon the interim dividends which have recently been made payable, have been made, thus satisfying the conditions of the existing Leases. As soon as the above referred to documents are completed, further payments will become due according to the terms of the Deeds of Variation, and whilst such further payments are not strictly due until such completion, we are pleased to inform you that the Directors - having regard to the time which has necessarily been

taken up in the settlement of the documents - will be prepared to anticipate this formality and to make payment as soon as they have been advised through their Solicitors that the final drafts of the standard form of Deed and Lease have been approved by Government.

We trust that this will be agreeable to Government in evidence of the Directors' desire to implement the smooth operation of the new arrangements.

We have the honour to be
Sir,
Your obedient Servants,

JOHN TAYLOR & SONS

Appendix F.G—1]

SUBJECT .....

.....

.....

Section G.7
File No. 411-34
Serial No. 5

Diary No. of letter replied to .....

No. En 1 — To be typed (Telegram) Fl 5500 (1)

To

The Comptroller.

General and Revenue Secretariat

( )

the *193*

Sir,

In continuation of this office memo no. 3R 4483 dated 23rd November 1934, regarding the payment of Royalty on dividends declared by the Kolar Gold Mining Companies during the current year, I am directed to forward herewith for information, a copy of letter dated 7th December 1934 from Messrs. John Taylor & Sons, London, in the matter.

I have etc,

Date of issue 22/1/35

Signed by .....

List of enclosures .....

Copied by 18.1.35

Examined by..... 16-1-35

WD 01956—GPB—22,500—12-6-34

Appendix F.G—1]

SUBJECT .....

.....

.....

Section G.7.

File No. 411-34

Serial No. 5

Diary No. of letter replied to .....

No. En 1 — To be typed (Telegram) 2L 5800 (1)

To

The Comptroller

General and Revenue Secretariat

( )

the *193*

Sir,

In continuation of this office memo no 3R 4483 dated 23rd November 1934, regarding the payment of Royalty on dividends declared by the Kolar Gold Mining Companies during the current year, I am directed to forward herewith for information, a copy of letter dated 7th December 1934 from Messrs. John Taylor & Sons, London in the matter.

I have etc,

for Financial Secretary

Date of issue 22/1/35

Signed by .....

List of enclosures .....

Copied by 18.1.35

Examined by..... 16-1-35

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. Fc5800 (4) 229 G.F 411-34-5 *Dated, Bangalore,* 18th January 1935

From

The *Financial Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The Comptroller to Government of Mysore,

Bangalore.

Sir,

In continuation of this office Memo No.Fl.4483 dated 23rd November 1934, regarding the payment of Royalty on dividends - declared by the Kolar Gold Mining Companies during the current year, I am directed to forward herewith, for information, a copy of letter dated the 7th December 1934 from Messrs John Taylor and Sons., London, in the matter.

I have the honour to be,

Sir,

Your most obedient servant,

for Financial Secretary to Government.

psk-2

letter dated 7th December 1934 from Messrs. John Taylor & Sons, 6.Queen Street,Place, London to the Dewan of Mysore, Bangalore..

In connection with the settlement of documents pertaining to the new Kolar lease terms, Mr.Nye has informed us of Government's point regarding the possibility of the rates of future dividends being so fixed as to operate unfavourably to Government's participation under the sliding scale Table.

We have brought this to the notice of the Directors of the four Companies who have unanimously authorised us to convey to you their emphatic assurance of the intention to implement the agreement in a spirit of fairness and equity, in evidence of which they invite reference to the words of the Chairman of the Mysore Company at its Annual Meeting on 11th April last when in referring to the terms of settlement he said :-

" It will be our aim to make a success of them, and
" to fulfil the agreement loyally, both in the
" spirit and letter".

We trust that this reference may remove any anxiety there may be on the part of Government on this matter, just as the Directors in their turn have every confidence in Government's intention to interpret the terms of settlement in a similar spirit.

Letter dated 7th December 1934 from Messrs. John Taylor & Sons, 6, Queen Street Place, London, E.C. 4 to the Secretary to Government, Development Department, Bangalore.

KOLAR GOLD FIELD LEASES.

We have the honour to inform you that the attention of the Directors of the four Kolar Companies has been directed to the suggestion of Government that an early payment may be made against the New Royalty which will become payable upon execution of the Deeds of Variation and New Leases.

The position is that payments of $2\frac{1}{2}\%$ upon the interim dividends which have recently been made payable, have been made, thus satisfying the conditions of the existing Leases. As soon as the above referred to documents are completed, further payments will become due according to the terms of the Deeds of Variation, and whilst such further payments are not strictly due until such completion, we are pleased to inform you that the Directors - having regard to the time which has necessarily been taken up in the settlement of the documents- will be prepared to anticipate this formality and to make payment as soon as they have been advised through their Solicitors that the final drafts of the standard form of Deed and Lease have been approved by Government.

We trust that this will be agreeable to Government in evidence of the Directors' desire to implement the smooth operation of the new arrangements.

Com

Letter dated 7th December 1934 from Messrs.John Taylor & Sons, 6,Queen Street Place, London, E.C.4. to the Secretary to Government, Development Department, Bangalore.

We have the honour to inform you that the prints of the draft Deed of Variation and Agreement embodying the terms of the settlement in respect to the renewal of the Kolar Mining Companies' leases have been completed and finally approved by the Boards of all the four Companies. It only remains now to obtain Government's approval and Messrs.Moresby & Thomas, the Companies' Solicitors in Madras, are being instructed by this mail to attend upon Government in Bangalore for that purpose.

Messrs.Moresby & Thomas will be fully instructed in regard to the explanations for any alterations from the original draft which have been called for but Government will doubtless like to have such explanations direct from us as well. We accordingly have the honour to hand you six copies of the final prints herewith and to comment thereon as follows :-

DEED OF VARIATION AND AGREEMENT.

We attach in type script an ~~exact~~ exact copy of the Deed as initialled by yourself on behalf of Government and by the Companies' representative, Mr. ~~Bye~~ Nye, but altered in red ink according to the final print. Government will see that there is no alteration in essence and that such alterations as there are, are solely in the matter of phrasing and wording, as regards certain of which :-

Clause 1 (2).

The date 31st December 1934 is altered to 28th February 1935 for reasons explained towards the end of this letter.

Clause 2 (2 (c)).

The legal advisers have altered "meant" to "made and applied". The Companies approve.

Clause 2 (4 (a)).

1. The word "for" is substituted for "during". This is in line with the rest of the document.

2. The wording of the provision for the ascertainment of the dividend rate in certain special circumstances has been redrafted. The meaning and intention are the same.

THE SCHEDULE.

(Form of lease).

With

With three exceptions the alterations are all consequential upon the alterations to the Deed and call for no further comment.

The first exception concerns :-

Clause 19.

This clause has now been settled according to Government's wishes. It has involved the deletion from the original draft of the following concluding words, " such consent not to be unreasonably withheld".

It is felt that in view of the Companies' action in deferring to Government's wishes in this way, Government may favourably consider the giving of an assurance that in the event, during the currency of the new leases, of any one of the four Companies discontinuing business, the surviving Companies be given the first opportunity to negotiate for the assignment of its leases on such Royalty terms as may be agreeable to Government at the time.

We submit that not only is this a priority to which the members of the group are admittedly entitled, but that there are sound reasons for it in the desirability, and almost necessity from a technical point of view, of ensuring the maintenance of a common management, having regard to the ever-present problems of ensuring the safety of the workers and providing for the utmost economy in the working of the Mines. Joint action and correlated plans such as are ensured so long as the Mines remain under our management, are of the highest importance in mining at these great depths; in the devising of means for the countering of the effects of rock-bursts and fires, and for the adequate ventilation of the mine workings

The second exception concerns

Clause 21 - Line 404.

The legal advisers have amplified the definition "machinery" by the addition of the words "and plant", and they have interpolated the words "whether erected or installed before or after the date of these presents". The Companies have no objection and have approved.

Clause 21 - Lines 407/8.

The legal advisers have pointed out that both parties interests require

require the insertion of a determining time factor and words have been interpolated fixing this at three months before expiration whereby Government have a margin of three months after receipt of notice (Clause 25) within which to come to a decision.

SECOND SCHEDULE.

(Second Part).

Line 520 et seq.

The legal advisers prefer to incorporate the subject matter of the Note governing the case of dividends made payable free of income tax in the text rather than to leave it in the form of a Note. It is therefore interpolated at Line 520 and at the same time a slightly altered wording has been adopted. It may be agreed that the altered wording is an improvement.

We trust that Government will find no difficulty in quickly assenting to these final prints, when we will at once proceed to complete the engrossments of the Deeds and the accompanying Leases. In order to obviate delay in this as far as we can and relying on no further alterations being made, we are already putting the engrossments in hand, but even then it will not be possible for them to be ready before the 31st December, the date originally fixed for completion. We have therefore, as already indicated, altered the date in the document to the 28th February 1935, which should allow sufficient time. In order to still further expedite matters the Companies propose to execute all the engrossments before they are presented to Government for the final act of their signature.

G.2.411-34-6.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

FINANCIAL BRANCH
3914.
1 MAR. 1935
GENL. & REV. SECTT.

No. 1333 Books

Comptroller's Office, Bangalore,

Dated the 26th February *1935.*

S. Shamanna Esq., B.A.,
Secretary to the Government of Mysore,
Financial Department, Bangalore.

FINANCIAL BRANCH
28 FEB
No.

Sir,

Adverting to correspondence ending with your letter No.Fi.5800/G.F. dated 22nd January 1935 in regard to the Royalty on Dividends due from the Kolar Gold Mining Companies, I have the honor to report for the information of Government that the three Gold Mining Companies viz., Mysore, Champion Reef and Nundydroog have since paid to our account with Messrs. Coutts & Co., London, a further instalment in respect of Royalty on the interim Dividends paid to the share-holders in accordance with

with the new scale of Royalty under the existing leases agreed to.

The particulars of the amounts received are noted below.

I have the honor to be,
Sir,
Your most obedient servant,

Comptroller

Gold Mining Company.	Balance of Royalty paid.	Credited at Messrs. Coutts & Co.	Difference between
Mysore	£ 381- 5- 0 ✓	29th January 1935	2 1/3 /.
Champion Reef	270-16- 8 ✓	do	
Nundydroog	3,242-14-2 ✓	30th January 1935	6 2/3 /.